

INTERNATIONAL CITY MANAGERS' ASSOCIATION

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PROBLEMS AND PROCEDURES IN ORGANIZING CITY ACTIVITIES

What are the goals of organization? How can the chief administrator appraise his organization, plan and conduct an organization survey, and install and follow-up survey recommendations?

"There shall be a department of finance, department of personnel, and such other departments as may be established by ordinance upon the recommendation of the manager." Thus does the National Municipal League's "Model City Charter" set forth one of the most important duties of the city manager--that is, the continual study of city government organization to keep the administrative machinery abreast of the times.

The organization of activities is a function of the city manager which is set forth directly or by implication in most city charters or manager plan ordinances. The charter for Kettering, Ohio, for example, states that "The council by ordinance may create, change and abolish offices, departments and agencies, other than those established by this charter. The council may assign additional duties to the departments established by this charter, but may not discontinue or assign to any other office, department or agency any function assigned by this charter to a particular office, department or agency."

It is the purpose of this report to provide guide lines for the chief administrator of a city to appraise the present organization and to suggest methods for conducting and following through on an organization survey. Subsequent sections of this report set forth the goals of organization; the factors of obsolescence and change which necessitate reorganization; how the chief administrator can appraise the present organization; the place of boards, commissions, and authorities; and the steps to be taken in conducting an organization survey, writing the report, and installation and follow-up. The last two sections of the report give separate attention to the pitfalls to be avoided in survey work, and to the organizational problems of smaller cities.

Goals of Organization

The goals of organization can be spelled out rather specifically as follows:

1. Integration of authority and responsibility should be developed to a reasonable degree. This means that there should be full policy-making authority in the city council or town or village board, that there should be a chief administrator in fact as well as in form, that city employees should be selected on the basis of merit, that boards and commissions should be limited to advisory or quasi-judicial duties, that similar functions or activities should be grouped together as far as possible, and that the chief administrator should have sufficient authority over the appointment, management, and discipline of personnel.

2. The organization should be responsive to public interest and demands. All organizations officially and unofficially give lip service to this idea, but too many fail to push recognition of the public interest in practice. It is more of an

art than a science and can best be developed through good relationships between the chief administrator and the city council and cultivation of citizen opinion.

3. The development of a better working force through motivation, morale, group dynamics, and other psychological factors has received increasing attention in management studies and reports in recent years. It is now generally accepted that the right kind of social environment for employees ranks higher than any other single factor in quality of work and producting standards.

4. Economy and efficiency always have been sought in organization and have been articulated more often and more precisely than any of the other three goals. In addition to structural change, it includes consideration of better management methods; the procedural aspects of work flow, control of forms, filing, and records management; distribution of police patrol; administrative reports; position classification and pay plans; and other work practices. It is a goal that is implicit in the term "organization and management," but it can be overemphasized at the expense of the other three equally important goals.

Factors Affecting Organization

A city government is somewhat analogous to a private business in that it must go forward or go backward--it cannot stand still. The great technological, cultural, economic, and population changes which have affected the United States since the war have only accentuated the factors of obsolescence which always plague municipal government organizations. The more important of these factors are the following:

1. Population increase and shifts in population have doubled or even tripled the number of inhabitants in many cities, especially those in the Southwest and the West Coast. A 1940 model of organization is poorly prepared to meet the requirements not only of a larger city but also of the incorporated and unincorporated fringe areas.

2. The decline of the real property tax in the last 20 years has paralleled the rising demand for municipal services. Hard pressed for revenues, some cities have been forced into organizational changes such as integration of police and fire departments, joint use of city school facilities, and more experimentation in the search for better methods and procedures.

3. Mechanization, new equipment, and streamlined methods have replaced many manual operations in city government especially in office work. Failure to exploit the latest developments in equipment, for example, may bring "overstaffing" in one or more departments or offices.

4. There has been increasing recognition on the part of the public and city councils that it takes a full-time professional official to run police, fire, or any other city department or to serve as the chief administrator. These changing attitudes, for example, make it easier to contemplate abolishing the office of the elected city treasurer and working towards an integrated department of finance.

Subsequent sections of this report will discuss the ways of appraising the administrative organization and carrying out the organization survey. Before any work of this kind is undertaken, however, the chief administrator should consider other factors which affect the organization both before and after the survey work has been completed.

The legal framework surrounding the city government must be considered carefully. This includes the state constitution and general and special statutes applying to the city, the city charter, court decisions affecting municipalities, and the city ordinances. Some matters will be specifically permitted for cities, others specifically prohibited. The entire area involves what Public Administration Service in a report for Ottumwa, Iowa, has called "statutory inhibitions to effective organization."

The power of the city council and the chief administrator to carry out reorganization may be limited by a number of conditions of a political nature. These political conditions more often will involve the interests of certain groups of employees and the public rather than alignment by political parties. Elected officials, for example, may resist efforts to coordinate their work with that of regular city departments. Policemen and firemen may resist attempts at establishing uniform personnel rules and pension plan provisions. Banks and funeral homes may resist attempts to drop special police escort services which have been provided in the past.

Cultural factors may adversely affect attempts at reorganization of city departments and activities. Long established traditions and the tendency of people to resist change often make it harder to sell and install changes in organization and procedures. To overcome this factor, consideration must be given to motivating people towards the goals of the city government and the jobs they do and adapting any plan of organization to the people available. Thus reorganization can proceed step by step with changes and modifications made as new personnel take over department head and other key jobs.

Appraisal of Present Organization

The initial impetus for administrative reorganization ordinarily should come from the chief administrator of the city. He is in a better position than anyone else in the city government to appraise the defects of the present organization, the deficiencies in program and services, and the steps that can be considered for improvement. Review of departmental expenditure estimates and preparation of the budget often provide fruitful ideas. Certain characteristics are suggested here for appraising the effectiveness of city government organization.

Elective Officials. The chief administrator is sometimes hampered by direct election of the city clerk, city treasurer, controller, auditor, or other administrative official. In most cases this is a hindrance toward effective integration and coordination of financial activities into a department of finance.

City Departments and Agencies. An over-all appraisal should consider whether activities are grouped logically within as few a number of departments as possible. In addition as few persons as possible should report to the city manager or chief administrator.

Chief Administrator. Deficiencies in the work of the chief administrator (not counting personal and professional inadequacies) usually are of two kinds: too many demands on his time, and lack of staff assistance.

The chief administrator should ask himself questions such as these: What can I do to cut down the time taken by relatively unimportant matters brought to me by city employees and members of the general public? What can I do towards delegating more work to department heads and employees to give me time for over-all planning and coordination? What can I do to encourage department heads to use more initiative

in developing programs and carrying out work? What help do I need in planning, personnel, budget preparation, preparing reports, receiving callers, and other duties which are an integral part of my job? Where can I get outside help on management improvement? From the state municipal league? From professional organizations? From the state university? From consulting firms? It all boils down to the fact that the chief administrator should not spare himself personally or his own job from an objective appraisal of present city government organization.

Human Relations. No magic formula exists for appraising human relations in any organization, but the chief administrator should be able to sense intuitively and directly the general morale and spirit of the working force. Human relations in management involve recognition of the employee's needs and desires for respect, good working conditions, pay, security, and other factors. It also involves the supervisor's responsibility in assigning, controlling, and reviewing work done by employees, the securing of cooperation and building of morale, and tactful and objective handling of the employee's personal problems.

Strength as Well as Weaknesses. The appraisal should strike a balance by reviewing the strong points in organization and management. Favorable factors include an up-to-date city charter, an absence of administrative boards and commissions, favorable public opinion, a city council that is receptive to ideas, and a community tradition of good public service. Any city official can add other favorable factors to this list in evaluating his own organization.

Probable Deficiencies. The experience of many cities points to one or more deficiencies that probably will show up through an objective appraisal of the administrative organization. Most of these deficiencies are bound to be reflected sooner or later in the quality of service offered to the citizens.

First and foremost will be a lack of authority and control for the chief administrator commensurate with the responsibilities assigned to him by law. Other areas of weakness may be too many employees and department heads reporting to the chief administrator, an illogical and ineffective grouping of activities into departments and agencies, the presence of independent boards and commissions (discussed in detail in the following section), elective officials in charge of administrative functions, a personnel program which devolves more upon an independent civil service board than it does upon the chief administrator, absence of an integrated department of finance, and a lack of community planning, particularly with respect to long-term financial planning.

In a larger city the effective direction, coordination, and control depends upon management aids and staff services. The chief administrator needs help in public relations, personnel, accounting, budgeting, purchasing, administrative reporting, and administrative planning. Too often this help is not provided.

In a smaller city the chief administrator should have the opportunity to provide some centralization of finance activities under the city clerk or some other full-time finance officer; he should be allowed to use outside services from the state league of municipalities or other agencies as much as possible to provide help in the fields of personnel and planning; and he will need in-service training for many of his employees so that he can have better management assistance.

The Place of Boards and Commissions

These agencies are nearly always a crucial part of city government organization--often detrimental, sometimes beneficial. Boards and commissions usually are

appointed by the mayor or city council and are tied in to the city government to some degree, at least through city council approval of the budget.

Too often, however, a board means that responsibility is diffused, it tends to become independent of any effective political control, and the financial needs are not judged objectively in relation with other governmental services. All too frequently, persons concerned with only one aspect of public service are inclined, in their zeal for advancing their particular service, to seek exemption from direct public control. Many special interests, especially newer and more controversial services, have sought this exemption from central governmental authority including the fields of health, education, welfare, library, and recreation. Even policemen and firemen have sought this exemption, especially in personnel management and pension planning and control.

The arguments for administrative boards more or less independent of the general government usually take three principle forms:

1. The argument of specialists that the technology of a particular function requires that specialists be in a position to determine policy.
2. The argument of certain citizen groups affected by the program that their special interest should be given organizational protection.
3. The argument that the general government of the city is financially weak, poorly managed, inefficient, or corrupt.

The use of a separate board for the administration of a municipal program makes responsible government more difficult. The chief administrator cannot be held responsible for the work of a board or commission appointed by the mayor or city council, and the council itself cannot control effectively the independent board or commission. From another point of view the question boils down to deciding how many local jurisdictions and agencies the people of a community wish to support in competition with each other and without direct public control.

For more than 30 years the trend has been away from the use of boards as administrative agencies whenever a city has adopted council-manager government, adopted or revised a city charter, or followed the organizational recommendations made by outside consultants.

For the reasons given above the more progressive cities are taking all steps possible to eliminate administrative boards. Most of the boards in cities with modern charters are created by ordinance and are advisory in nature. The advisory board often is helpful because it provides a more formalized way of securing citizen opinion on a particular government service. Even the advisory board has its hazards, however, if the board members attempt to assume administrative jurisdiction or are at odds too often with the city council on programs in which they are interested. (Suggestions on the use and relations of boards and commissions in city government are set forth in MIS Report No. 38, "Relations of Council and Chief Administrator to Boards and Commissions". This report discusses ways in which such boards may be held accountable to the city council and how their work may be more closely integrated with other municipal activities.)

Many city officials consider it more desirable to secure the benefit of citizen opinion and experience by appointing temporary boards or committees to deal with specific problems. These groups, usually designated as citizen advisory committees, have certain characteristics in that they are appointed for a single purpose and

are automatically discharged when their work is completed, they are temporary and semi-official in that they are not provided for by charter or ordinance, and they are expected to work on a specific problem or to develop public understanding and support for a proposed project such as capital improvements or charter amendments. The role of these committees is discussed extensively in MIS Report No. 130, "Use of Citizen Advisory Committees."

Steps in the Organization Survey

Defining the Scope of the Survey. The first step in an organization survey of city government is to set forth as precisely as possible the work to be undertaken.

The legal changes which may be involved should be considered first. A comprehensive survey and report could have proposals for changes in state statutes as well as a new city charter. As a second alternative the survey might be limited to legal changes involved in amending the city charter, an action that can be taken by local referendum. As a third alternative the organizational changes might be limited to those that can be done within the present legal framework of the city; such changes would be limited to adoption, amendment, and repeal of city ordinances. Finally, the organizational survey could be limited to administrative action not involving ordinance changes; this would be accomplished by administrative regulations, changes in records, forms, and procedures, and the like.

Next the chief administrator should decide what consideration, if any, will be given to the boards and commissions serving the city as well as such outside governmental agencies as the independent school district, any special districts serving the city area, or the county government. These more or less independent agencies often have a direct bearing on the work of regular city departments.

Finally the chief administrator should decide on the level of detail to be undertaken in the study. The organization survey should give primary attention to the job of the chief administrator, city departments, and other agencies which provide the framework. The survey also should show the relative need for various improvement undertakings and installation projects as well as suggesting priorities so as to dispose of the more pressing problems first. Ordinarily, however, it is wise to exclude from such a survey detailed consideration of department operations and procedures in the form of management studies. Such work is better undertaken one step at a time after the organization survey has been completed.

Once the chief administrator has appraised the present organization and defined the scope of the survey, he is prepared to go to the city council and discuss the work which he would like to have done. At this time he may point out to the council the need for outside assistance which may consist of help from a state municipal league, a state university, or a consulting organization.

There are several potent advantages in securing outside assistance for an organization survey and report from a management consulting firm. First, it provides professional and institutional backing for the recommendations that are made, and, second, it provides the outside and impartial evaluation that is extremely difficult to obtain on the part of anyone who deals first-hand with the problems in a given city. Third, it enables the chief administrator and the city council to share the responsibility for bringing up controversial subjects and equally controversial recommendations. Finally, many city officials find it difficult to devote the time and attention to such a survey. The nature of field consulting services and suggestions for selecting management consultants are set forth in MIS Report No. 88, "When and How to Use Outside Consultants."

Preliminary Steps. A preliminary review should be made of the legal basis for the city government including the city charter, city ordinances, state general laws affecting municipal powers, and pertinent court decisions. The city attorney can help with this work and will be needed even more in later stages if any charter or statutory changes are considered as part of survey recommendations. Other documents for several years back should be reviewed including financial reports, budgets, departmental reports, audit reports, reports prepared in connection with any recent bond sale, and financial reports to any agencies of the state government. Finally, complete organization charts for every department and agency should be drawn up to show both functions and major positions. These charts will be changed and corrected or verified as information is gathered during the course of the survey.

Field Work. Field work for an organization survey should consist largely of interviews with department heads and key employees supplemented as necessary by inspection of work in progress in both field and office and review of records and forms. In each department or other organizational unit the following questions and factors should be explored and complete information secured:

1. The work done by the organization unit--the similarities and difference of the work as compared with that done by other city departments or other governmental agencies in that area.

2. The number and kinds of employees required--the sources of recruitment for new employees, the amount and kind of in-service training, the possibilities if any for employees to work in different fields reasonably related to their major occupation, and the general concepts employees have of the work they are doing and the services they are providing for the citizens. The comments and suggestions of employees for management and organization improvement should be encouraged, but the chief administrator or other staff member should be careful not to make any commitments as to ultimate recommendations.

3. Relationships of the organization unit with other agencies of the city government.

4. Relationships of the organization unit with the school district, county, and other governmental agencies in the area. Careful consideration of this factor may lead ultimately to consolidation or joint services such as a city-county health department, county-wide library service, or joint use of school facilities for a municipal recreation program.

5. The amount and kind of records kept by the organization unit. No detailed analysis should be attempted, but a general inspection and careful questioning may turn up fruitful possibilities for the elimination of unnecessary records, the consolidation of forms, the mechanization of posting and other office procedures, and other management improvements.

6. Public contacts. Is the work so organized and employees so trained that complaints and requests for information from the public can be handled promptly and courteously? Do employees know enough about departmental procedures to be able to answer general questions accurately? Is the general appearance and maintenance of equipment and facilities such that a good impression is made upon the public?

7. Delegation to supervisors and employees. In some instances, even in small cities, the department head may be a bottle neck for effective work in his department. As much work as possible, depending upon the capacity and ability of employees and supervisors, should be delegated by the department head to give him more time for the more vital parts of his job.

Field and office inspections should be made to get a general idea of the attitudes and morale of employees, the shortcomings in training and supervision of employees, the services as rendered directly to the public, the condition and care of motor equipment, and the need for replacing or adding to equipment and facilities especially in public works, police, and fire.

Legal services, personnel, finance, and planning, essential to good organization and operation of any enterprise, should be reviewed with special care. Often the shortcomings will consist of absence of policies and programs in these fields thus handicapping the chief administrator and department heads.

In all but the smallest cities, the absence of job classification and pay plans, for example, is a serious shortcoming because it makes uniformity of personnel administration almost impossible. The absence of accrual or modified accrual accounting can endanger the financial position of the city or at least embarrass the city council and chief administrator if funds unexpectedly run low. The absence of comprehensive community planning can create a host of problems in subdivision development, zoning standards, ill-advised industrial development, absence of off-street parking, and a limited tax base.

Finally, in an organization survey the chief administrator will need to relate objectively his own work to that of the rest of the city administration. He may find that he is a bottleneck by not delegating sufficient work to department heads and supervisors, by spending too much time on routine work that could be handled by others, by not encouraging department heads to accept additional authority and responsibility, and by not encouraging employee participation in budgeting and other phases of management.

Preparing and Submitting the Survey Report. A single final report is generally preferable to a series of individual reports dealing with particular functions or city departments, because the subject is the total structure of the city government and because submitting a series of reports may prejudice the reception and consideration of the reports which are delivered last. Charter amendments and an administrative code, however, might be written up in a separate document.

Over-all recommendations for report writing are contained in an article by Ernest A. Englebert entitled "Some Essentials of Good Report Writing" (Public Management, September, 1954, pp. 197-220). In addition to its specific proposals, the survey report should have broader objectives of facilitating decision-making, reaching the audience, and fostering communications. The report should be well organized, feature salient issues, and emphasize good writing. As the article states, "There is still no substitute for good writing in report construction.... The report writer should never forget that the basic objective of the report is to foster communication and that the test of good writing is the extent to which this requirement is fulfilled."

The introduction to the report should state some of its over-all objectives. For example, Donald P. Wolfer, city manager of Fort Lauderdale, Fla., in the introduction to a survey report prepared in 1954 stated, "In view of the anticipated growth of Fort Lauderdale and the necessity for expansion of municipal services in the years ahead, it seems appropriate to re-examine our organization at this time looking backward at our past experiences as well as forward to our future requirements.

"This booklet presents, in summary form, recommended changes in the organizational structure of our government, which, in my opinion, will help equip us to provide the best possible service to the community now and in the future."

In addition to any statutory and charter changes recommended in the survey report, an administrative code may also be prepared. The administrative code goes into greater detail than does the city charter in outlining the major structure of administrative organization, the establishment of departments and offices, the listing of functions of departments, and the specifying of duties and responsibilities of chief officials. The code should be prepared as an ordinance for adoption by the city council after having been reviewed by the city attorney. MIS Report No. 52, "The Preparation and Use of Administrative Codes," will be helpful as a starting point for many city officials.

Prior to the completion of the survey report the chief administrator should discuss the major recommendations with department heads and the city council to assure informal acceptance of the report. If an election is necessary for charter amendments, the action must be preceded by a careful public relations program to anticipate potential opposition from employees and special interest groups. At this point a citizen advisory committee can be helpful (see MIS Report No. 130, "Use of Citizen Advisory Committees").

Survey Installation and Follow-Up

The recommendations and suggestions for improvement in the survey report should be followed up immediately to prevent a situation where the report is put on the shelf and forgotten. Several steps should be taken:

1. The chief administrator should take it upon himself or designate an administrative assistant or other employee to act as coordinator and reporter on the management improvement program.
2. The chief administrator should meet with each department head to discuss the recommendations and to develop a specific and detailed plan for adoption. This plan should include a time table for the various steps to be taken. Wherever it can be done, the chief administrator should point out that employees in abolished positions will be protected by transfer until their retirement or resignation from the service, that no cold blooded speed-up or efficiency plan is contemplated, that the wishes of rank and file employees will be respected as far as possible, and that every effort will be made to avoid breaking up work crews and other group assignments which comprise part of the informal organization.
3. Each department head should submit a monthly management progress report.
4. As needed the chief administrator should report to the city council, various citizen groups, and city employees on the progress of installing the survey recommendations. Periodic meetings of all department heads have the beneficial effect of encouraging department heads to have something to report on when their turn comes during the discussion.
5. In-service training will probably be indicated for one or more groups of employees.

Pitfalls To Be Avoided

A number of pitfalls exist in conducting an organization survey which may make the work much more difficult and time consuming or, even worse, render the entire project ineffective. First, and most serious, is a failure to define carefully the scope of the survey including the matters that will not be considered and the lack of a clear cut understanding with the city council, department heads, and supervisors

as to the objectives of the survey. The failure to make thorough preparations and arrive at definite understandings prior to the work may have the unhappy result where no person or group is willing to take any responsibility for promoting the survey recommendations and seeing that the improvements are carried out.

Poor fact finding during the field work may result in embarrassing legal and financial complications and hostility from the city council, city employees, and other groups. The surveyor must be prepared for any question that comes up and must not be in the position where anyone can correct him on matters of fact and observation.

Inadequate or faulty analysis of data can result from failure to check information from one source with other sources. It can also lead to excessive reliance for solutions upon the "book" or "best practices." The capacities and potentialities of present employees in key positions should be considered carefully before functions are transferred or merged into catch-all departments. The important consideration always remains: Where will the work be done the best?

Hasty reporting of survey recommendations can be troublesome. It is futile to expect department heads and employees to accept drastic organization recommendations unless they have had a chance to talk it over, think about it, and take some part at arriving at the conclusions and recommendations. The quite natural tendency to resist changes of any kind always should be taken into account.

A large part of the job is completed when the survey report has been written, submitted to the city council, and approved for installation. The entire effort can still be rendered ineffective, however, by inadequate installation and follow-up. The installation and follow-up is the joint effort on the part of management and employees and must be done as a group endeavor over a considerable period of time.

Finally, the disturbing element of human relations must be injected. Consideration of the human element at present is certainly more of an art than a science. It is known, however, that organizations tend to have two structures, one formal and the other informal. The formal structure is the one which the organization charts say is there or should be there and is the one which follows management beliefs and aspirations. The informal structure on the other hand is more subtle but equally important because it consists of roles, sentiments, traditions, and beliefs which are implicitly endorsed by most employees and followed in practice even though they have no specific recognition in formal organization.

Two familiar examples of informal organization which every administrator has experienced are the employee liking for seniority as the primary basis for employment, reemployment, promotion, and other personnel actions, and the tendency of many employees to consider the social environment of the job to be more important than the job itself. Distasteful as these and other attitudes may be to administrators, they must be considered in arriving at recommendations for organization improvement. The best that can be done is to recognize the informal aspects of organization and attempt to establish a pattern where the formal and informal organization will coincide.

Organization in Small Cities

Organization and management for cities of less than 10,000 population pose a few special problems. An informal rule-of-thumb organization is quite common and usually a practical necessity. Although the smaller city is likely to have the same

problems facing larger cities, strict rules of formal organization often are modified to accommodate the individual aptitudes and abilities of the various employees.

For example, the small city usually has the same work as the large city in assessing, billing, and collecting taxes and in disbursement, payrolls, purchasing, and accounting. In a large city one or more persons is in charge of each of these activities--billing, collection, disbursements, payrolls, and so on. In a small city of necessity they must be combined in one position, and it is often desirable to add other generally related duties such as personnel records, employment applications, city council records, and general files.

As another example, the smaller city provides many of the public works and utility services provided in larger cities including street cleaning and maintenance, sewerage service, water supply, and electric power. While the larger city will have its organizational specialties for this work, the small city often does better with a department of public works and utilities to take care of all of these activities.

A high degree of integration of public safety services is possible and desirable in a small city. Common factors in police and fire service include dealing with public emergencies, necessity for a single, reliable communications system, and prevention and inspection activities. For the most part policemen and firemen can share the same building and equipment and receive the same training. In the smaller community the need for highly specialized fire or police skills is limited. For these reasons the smaller community is often better served with one public safety department responsible for all public safety services.

In summation, organization in small cities will require bringing together a sufficient volume of similar activities within each city department to justify the employment of a capable full-time department head. Often this need can be met by assigning municipal operations to three major departments: finance, public works, and public safety.

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Note: Grateful acknowledgment is made to H. G. Pope for reviewing a tentative draft of this report and offering suggestions for improvement. Mr. Pope is executive director of Public Administration Service, an organization which has conducted numerous organization and management surveys for cities, counties, states, and other governmental jurisdictions.

